



# COMMUNITY COMMENTS

VOL. XVI    NUMBERS 7-9    FEB., 1960

## *It Can be Done in Economic Life*

By Arthur E. Morgan

Introductory Note. In our last issue we expressed the conviction that, even in our complex modern life, it is possible and feasible to have sound and exacting ethical standards and to live by them without substantial compromise. We continue here by relating the theme to a specific phase of living. We shall undertake to show how in economic life it is possible and feasible to maintain sound and discriminating ethical standards, and to live by them without substantial compromise. In order to provide a basis for intelligent discussion it seems desirable to begin by summarizing some of the factors in ethical living, even at the expense of repeating statements from our last issue.

COMMUNITY COMMENTS, edited by Arthur E. Morgan, is issued from time to time by Community Service, Inc., P. O. Box 243, Yellow Springs, Ohio. Subscription: \$2.00 for eight issues. Community Service, Inc., a non-profit organization devoted to serving the interests of the community as a basic social institution, invites membership and support from persons interested in this field. A part of the dues paid by members is credited to *Community Comments* subscription.

## IN ECONOMIC LIFE

### I

Some Conditions of Successful Ethical Living. In considering ethical standards we are thinking of standards of action arrived at by human experience, judgment, insight and aspiration. Ethical commitment is determination to make action conform to the long-time purposes of life. After the primary physical facts of the world—such as the heat of the sun and the foothold supplied by the earth—the standards, purposes and qualities of individuals are the chief determiners of human destiny. It is the personal qualities of individuals which underlie all effectiveness of government, economic and social structure and of life in general. It is a false idea that the artist or other creative person lives in a free world above ethical considerations. The free, creative spirit, as of scientist, artist or entrepreneur, as well as of men in general, seldom can have un mutilated expression except in a society where ethical standards have provided some degree of social stability and of favorable climate in which it can function.

Whoever makes his practical, everyday, economic life an expression of a well developed ethical pattern is bringing into being a new level of quality in human society. Even though his achievement is on a very small scale it may be a significant example of what is possible. Examples are a chief stimulus to social advance. By such

living one becomes a potent agency for creating a new world. As men in general come to realize the significance of effective ethical purpose their values may be modified and controlled by that understanding. It is chiefly as one becomes aware of such significance that he will have the interest to bring about the desired development in himself.

Circumstance. As men meet circumstance—climate, soil, the physical world in general; and customs, laws, institutions, the cultural world about them;—and their biological constitutions—they respond in various ways: to master them, to adjust to them, or to surrender to them. Men are neither wholly independent of circumstance nor wholly subject to it. It is in the degree and in the way in which they modify circumstance or relate themselves effectively to it that they influence the direction and outcome of the human adventure.

Ethical Education. Along with realization of the significance of ethical purpose there needs to be development of what may be called ethical skill, strength, toughness and staying power. Just as with physical competence, ethical competence comes by persistent exercise. Ethical action which is totally beyond the power of one who has not developed his possibilities may be within the normal capacity of another who has achieved strength by full use of whatever strength he has.

At least so far as the rightness or wrongness of many specific actions is concerned, there is no immediate sure inner guide which points unerr-

ingly to the right course. Ethical judgment, which is imperative for developing capacity to live by one's principles, calls for foresight and preparation. It grows by persistent exercise.

Especially in a period of flux such as the present, we need conscious, critical appraisal of ethical standards. Such a process will clarify and sharpen valid ethical convictions of which we have not been fully aware, and also will help to free us from burdens of mistaken or obsolete conventional restrictions and prohibitions which have been obstacles to normal, wholesome action. It should be a part of the process of maturing for one to appraise and to transcend the mediocre standards and attitudes which have been impressed upon him by the chance circumstances of life, including such traditional and arbitrary doctrines and attitudes as do not survive competent inquiry; and to develop intelligent, inclusive judgment and insight.

Such ethical education and practice will make it clear that many ethical issues are not between black and white, but pose real perplexities. Even with the most complete commitment to ethical living one will come upon many cases where there is uncertainty as to what course is best. It is important to distinguish between ethical weakness on the one hand and ethical perplexity on the other. The confusing of these two often leads to a sense of guilt which is out of place.

The Value of Facing Realities Concerning One's Self. The possibility of living one's economic life in accord with one's ethical standards is helped

by the habit of facing realities in appraising one's own abilities and the requirements and possibilities of prospective careers. The fact that one has developed discriminating ethical standards does not of itself qualify him for competence in any particular field.

One needs to learn to rate his abilities neither too high nor too low. Many an able person is burdened by timidity and recessiveness which keeps him from ever realizing his possibilities. Fairly faced, such limitation commonly can be overcome. Many another person habitually overrates himself, and ventures where he is so unprepared that failure is almost certain. We know of no kindly providence which, because a person has good motives, will surely protect him from his own incompetence or lack of preparation. The problem of realistically choosing and preparing for one's calling should be a part of the general problem of putting one's life in order.

The Pursuit of Status. There are traditional attitudes and patterns running through our culture which may constitute almost unnoticed handicaps to one's effort to live by a discriminating pattern. One of these traditional attitudes is the pursuit of status. Our country was largely settled by the poor and underprivileged of Europe, who came here partly to escape low caste, with an occasional upper-caste person among them. (Americans, in speaking of efforts to better their positions, prefer to use a more euphemistic term than "caste.") There has been a very general desire to escape from the previous family rank, and to

achieve improved social standing, along with better economic conditions. Of the millions of our young people from families of farmers and craftsmen who have gone through college, usually with the assistance of their none too well-to-do parents, we should guess that less than five percent have had the aim of preparing for more efficient life and work in the same callings as their parents. This has been largely true, even as to students in agricultural colleges.

With millions more young people headed for college from families with no college background, pursuit of status may become a real handicap to moderate economic opportunity. If social status should fade into the background of attention of persons with discriminating ethical standards, and if in the pursuit of callings where one can maintain his ethical standards it should seem as normal to move to callings which in conventional appraisal are lower in status than those of the parents as it would be to move "up," the practicality of living in accord with one's ethical standards would be increased.

Ethics and Action. The end of ethical purpose is rightness of action. But for the possibility of action in accord with ethical purpose, ethics would have no significance.

In some few conscientious men ethical sensitivity becomes so abnormally stimulated that a large part of the energy of life may be used in an agonizing balancing of ethical considerations, with the result that effective action may be largely paralyzed. Sometimes rough and ready decisions,

made with good intent and followed by vigorous and effective action may have more real value than would result from an oversensitive balancing of minute ethical factors. Vigorous living, which must turn much of its attention to action, will make ethical errors, oversights and inadequate judgments. In a healthy personality these will not be too deeply mourned, and there may be little time for nursing feelings of guilt.

When we speak of economic life without substantial compromise it is with the belief that a normal, active person, living with sound standards and with the best of intentions, will frequently come upon times when effective action is so important that time should not be spent on the minutiae of ethical consideration. There are other times when ethical considerations are so at the heart of an issue that to ignore them is to warp or destroy the effectiveness or the significance of what is being undertaken.

Discriminating and deeply committed ethical living does not call for fanatical or dogmatic or one-track living. It should be a means for promoting good proportion, range and perspective. In the complexities of economic life no hard and fast rules can be made for ethical control. If one lives sincerely and purposefully he will develop an intuitive guide as to when a delicate sense of fitness is important, and when more rough and ready methods are justified. The aim should be neither to paralyze action by oversensitive discrimination in marginal cases, nor to use the importance of immediate action as an excuse for

clear-cut ethical surrender in seemingly minor matters which nevertheless may be decisive in their ethical significance.

The most effective living comes with a good balance of human functions. The several drives of life need to be in good relation to each other. Ethical purpose is one of the major direction finders of life. Especially in the modern world where traditional controls are confused or are wavering or are lost, it is of primary importance. Yet it is not an absolute. Its function and its value are to bring actions into harmony with the overall aims and possibilities of life. Ethical living in the economic world involves a wide variety of relationships, and a wide range of drives, as well as experience, educated judgment and insight. Even in our complex economic life, these can be practically achieved in a balance appropriate to one's own ethical purposes.

## II

The Myth That Economic Life Compels Ethical Surrender. There is a very general opinion that in facing the exigencies of economic life it is not feasible for a person with discriminating ethical standards to live by those standards without habitual compromise or surrender. This opinion has been held with all the certainty of an axiom by so many people as to create a public attitude to that effect.

There is much in our conventional economic life which supports such a view. If one has grown up in a complex metropolitan setting, life may



seem to be already set and its pattern decided, with nothing left for the individual in general but to conform. If one has spent his childhood in a one-company factory town, or in a coal mining or a copper mining town, with nearly all economic affairs controlled and directed by a great corporation with headquarters in a distant city, the outlook may disclose little possibility for economic self direction. In case a fellow townsman has conspicuously "made good," sometimes it has not been with exacting ethical standards. The feeling of hopelessness of living by one's own standards may be powerfully reinforced by the same feeling among his friends and associates.

Many people are of the opinion that compulsions to ethical compromise are increased by present-day economic concentration and interrelation. They see relatively few people working for themselves, while many work in large organizations, public or private, where they have little or nothing to say as to general policies or standards. If they are, perhaps unwillingly, members of labor unions, they may be called on to participate in policies they do not approve. Many men and women feel they are but parts of a vast, impersonal economic machine.

An observing person will see that the way in which he conserves and uses his own time and income will have much to do with the possibility for independent economic action; yet if he does not conform to the economic and social habits of his friends and associates, he and his family may be socially isolated to a considerable extent.

Under all these circumstances, if the question occurs to him, he may ask himself, "What can a normal person do but live and act and think as the people do with whom he lives and works?"

There is no value in ignoring or minimizing such powerful influences calling for conformity to prevailing custom. A first requirement for the mastery of life is unfaltering recognition of things as they are. But recognition of things as they are will be fatally incomplete if it overlooks the important fact that the human mind and spirit have great capacity to master circumstances, or to break free from unfavorable conditions and conditioning. A sense of futility concerning the possibilities of maintaining ethical standards in one's economic life may exist where there is in fact widely varied opportunity to achieve such purpose.

The widespread feeling and belief that a person cannot maintain discriminating ethical standards in our economic world reduces the incentive for maintaining those standards, and kills expectation of success in doing so. The common opinion that economic life cannot be conducted without ethical compromise gives excuse and seeming justification for compromise, even where conditions are quite favorable for ethical action.

There is no more fundamental ethical principle than that of being honest with one's self, nor any that is more generally violated. If ethical compromise in economic life is accepted as being sometimes inevitable, then one may not lose his

own self respect or the respect of his friends by the practice of such compromise. As a result, many would-be self-respecting persons intuitively resist and resent the idea that it is feasible to share actively in the going economic life while maintaining one's standards of ethical fitness; for to recognize such feasibility would be a criticism of one's own course. The inherent impulse to try to make a unity of life tends to compel one either to change his life to conform to his philosophy, or to change his philosophy to fit his pattern of life. The alternative to achieving such unification is some degree of "split personality."

Let a vigorous personality once get a spark of insight concerning the possibility of freeing himself from servitude to the outlook and habit patterns which his bringing up has imposed on him, and he will find within himself resources for achieving that freedom. If he desires to develop and to find expression for discriminating ethical standards in his economic life, he will find that the handicaps can be surmounted.

In our large scale business and industrial organizations there are very many men and women who in their work can and do maintain discriminating ethical standards, even in organizations where they have no control over policies. What is equally or more important in this respect, there are in America very many persons, amounting in the aggregate to millions, who have developed ways of making their livings through self employment, in which they have a large degree of freedom from external compulsion. The total num-

ber of these is so great, and their activities so varied, as to refute the position that in our present day world it is not feasible for a man or woman to be master of his or her economic career.

The qualities most desired by the public in dealing with self-employed persons are competence, courtesy and honesty. Vigorous, sustained, discriminating ethical standards are quite generally major assets, rather than liabilities, in self employment, in most of the professions, in merchandising, in varied services, and in the crafts.

In general it is not external circumstances which most help or hinder a person in maintaining his ethical standards without compromise in economic life, but rather it is a person's inner state of mind and spirit, his pattern of life, the toughness and stamina he develops, the vision he lives by, his forethought and planning, the skill and ability he has gradually developed in holding to his convictions—the total conditioning of his life, especially his self conditioning. We repeat, next to the elemental physical facts such as climate and geography, the chief determiners of human life and destiny are the mental pictures and the emotional feelings we carry as to what the world is like and as to what our possibilities are. And it is one of the most significant facts of life that, given an initial impulse of aspiration and of purpose, from whatever source it may come, a person can remake his mental and emotional state.

The extent to which we maintain our best ethical standards in our economic life will be of

more lasting importance than whether the world goes communist or capitalist. As has been so often demonstrated in the course of history, any social order in which reasonably sound ethical standards do not largely control action will gradually or rapidly deteriorate through exploitation and waste until creative capacity for production is largely submerged, and chaos, tyranny and general poverty and degradation ensue.

We do not assert the feasibility of maintaining one's ethical standards in contemporary economic affairs under the impression that prevailing standards leave little to be desired, or that the road is easy. We do hold that the issue is important. Every human culture is on the move, either toward purging itself of practices which would reduce its quality, or toward steady accumulation of habits of concession to unethical attitudes and practices by which it is slowly corrupted and degraded. Here we are at the growing edge of life, where the vitality of the future is being determined. Here every man is on the battle line, or has surrendered, or has run away.

### III

Ethical Frontiers in Economic Life. We have referred to prevailing departures from ethical standards so marked as to be generally obvious. There are many situations in which conflict of economic standards has existed where the issue seems inconsequential or marginal to some people but of serious importance to others. In general,

the fact that an issue is not recognized does not mean that it is unimportant.

The American economy is extremely varied. Many persons with exacting ethical standards find no conflict between their work and their standards. It is by no means unusual for a man to discover that the ethical standards of the organization he works for are more exacting than those he maintains personally. Many men will be surprised at the suggestion that ethical problems are a serious issue in economic living.

On the other hand, many a person finds that in the course of his work he is called upon to be a party to decisions which he cannot respect. In some cases these may be of such a character that a large number of people would be unaware of the existence of an ethical issue. Concern may be aroused chiefly in individuals who have arrived at more discriminating standards than have most of the population. A few cases will illustrate.

An automotive engineer, engaged in automobile design, left his employer because he disapproved of what he considered to be the inadequate ethical basis of that design. As a very simple example of the general attitude he disapproved, the exhaust pipe being specified would burn out and require replacement with 5000 or 10,000 miles of travel. To use a quality of steel which would last the life of the car would cost about 10¢ more in the first place. Because he was unable to influence the character of design and specification of which this detail was representative, he left his job,

holding that the existing standards of practice violated his sense of integrity of design.

Working with a highly placed and generally respected lawyer, who was commonly referred to as "the dean of the bar" in his state, I observed his skill in confusing or avoiding issues. In private conversation he would sum up an element of his legal philosophy by stating: "Never try a case on its merits if you can win it on a technicality." He would say, "Don't face a difficult point directly. Slick it over! Slick it over!" His favorite reminiscences were of bad cases he had won by shrewd manipulation.

In these traits he was far from being alone in his profession. In fifty years of working with scores of members of the legal profession on more than fifty engineering projects I have observed that an appreciable proportion of the calling, including some well known and highly placed members of the bar, hold that it is a lawyer's appropriate function to do anything legally allowable in the interest of the client. Among lawyers who hold to a widely prevailing code, not only will an attorney take a case in which he is quite sure that his client is in the wrong, because "every man has a right to a legal hearing," but will use every device of legal strategy to win it.

On the other hand, I have had the pleasure of knowing and working with lawyers, some of them nationally prominent and others in modest local practice, of high personal quality whose professional ethics were on the same level of straightforwardness as their relations with personal

friends. The success of such men is evidence that in the law as elsewhere it is possible and feasible for a person with a mature, realistic life philosophy to maintain exacting ethical standards without compromise. But the process of doing so is a real adventure. The very essence of adventure is risk, with possibility both of failure and of success.

In the field of advertising, I can illustrate a point of view by a certain instance. I was talking with three young men employed by three different advertising firms. Each was indicating his embarrassment that in his work there was a frequent tendency to warp or avoid the truth in the interest of the product being advertised. Taking the prevailing standards of practice of their firms altogether, they thought that they were being parties to much departure from honest and representative presentation.

I suggested another approach to the business of an advertising agency. Might not a small firm of young men undertake to find clients who would commission them to make unqualifiedly truthful and representative statements of their products, accurately describing the qualities—good, bad and indifferent? Each advertisement would carry a signed statement of the advertising agency to the effect that it had prepared the advertisement to be a fair, representative appraisal of the character and quality of the product. Such an advertising firm perhaps would have hard going for a time, but the day might come when an advertisement signed by this firm would carry great



weight. It might even become the standard of the advertising field.

A combination of ethical discrimination, stamina, imagination and a spirit of adventure may be a chief means for bringing about marked changes in the ethical quality of various phases of our economic life, and in the value and stability of our society. What more interesting and worthwhile adventure can one have in the process of making a living?

At a time when retail shop keeping in England, as elsewhere, was a process of haggling over prices, and when that process was considered unavoidable in the existing state of "human nature," George Fox, founder of the Society of Friends or the "Quakers," called on his followers to live by a uniform standard of honesty. As to shop keepers, this required them to name the prices they really expected to get. Inexperienced children sent to a Quaker one-price store would pay the same price as the shrewdest bargainer. Thus, we understand, began the "one price" policy in retail merchandising, which has spread over much of the world. "Human nature" and human character were ready for better standards than had theretofore prevailed.

The complexity of ethical problems in our economic life may be illustrated by a present course in electric utility advertising. It is my opinion that much of the advertising of the electric utility industry, aimed to discredit public ownership and operation in that field, is so essentially misrepre-

sentative and dishonest in its implications as to constitute grossly unethical practice in high places.\*

Many persons share in the production of such advertising as that of the electric power industry in its diatribes against public power. These include the heads of utility corporations, the officers and staff of their promoting organization, the members of the advertising firms who prepare the advertising copy and place the advertising contracts, the publishers and advertising managers of the periodicals carrying the advertising, the layout men who prepare the ads, the press men who operate the presses, the news stand operators who sell the magazines, and many others. Only a few of these would commonly be held responsible for judging the merits of the statements made. Given ethical irresponsibility at and near the beginning of the process, the entire remaining steps

---

\*I have grave misgivings about the practical desirability of rapid, widespread extension of government operation in industry, if it can reasonably be avoided, while government operation of some economic undertakings is at the present low level of efficiency, and while important economic functions are put in the hands of party politicians or of "lame duck" candidates, as has been the case with the U.S. Post Office. Yet I know of no public operations which have fallen so low as some private operations, such as "The Associated Gas and Electric" organization, or the Wolfson type of public utility manipulation.

may be taken by sincere and ethical persons, most of whom would commonly be unqualified to have a clear judgment of the issues.

At the beginning of the process it is only necessary to have a plausible and opportunistic ethical philosophy, such as that, the general public being simple minded, uninformed, and in the habit of acting on crude emotion, it is necessary and justified to dramatically exaggerate and to misrepresent, in order to produce the desired emotional reaction against government operation and in favor of private utilities. Also, since political representations are often biased, it is necessary to "fight fire with fire," and so any effective course is justified. That philosophy has an ancient tradition in politics and religion, as well as in business.

Suppose an intelligent, well-informed printer, who is asked to set up such an advertisement, believes he sees its unethical character. What can he do about it? It cannot be left to every employee of a large organization to pass on the merits of every job going through the plant. There must be order and unity of action.

There are several possible courses which do not call for compromise. If an employee is convinced that his employer is a person or a firm of honorable purpose and sound ethical standards, then such an employee may reasonably defer to the employer's decision, with assurance that any difference will be one of judgment, not of honesty of intent. He may with propriety send a memorandum to the management, stating the ethical

problem as he sees it, and asking to be corrected if he is mistaken. The fact that such a course would be nearly unprecedented does not make it unreasonable. An intelligent, conscientious management would not ignore such a communication.\*

If a conscientious employee finds disregard for reasonable ethical standards to be characteristic of the employing organization, then he probably has the wrong employer, and should change, even at substantial financial loss. It is in such situations that one finds whether he holds his ethical standards to be worth paying for and living for.

---

\*I know a small industry in which periodical meetings with the employees are held where everything relating to the business is discussed, including the ethics of the business and the relation of the business to the general economy. The entire working staff has opportunity to become aware of relationships with the world at large, not just within the individual industry. The feeling of mutual confidence and respect existing in the staff is one reason why during the past decade the employee turnover has been less than 10% a year, and that no employees have been discharged in twenty years.

In a free enterprise economy every industrial executive and administrator has it more or less in his power to make his industry an adventure in human purposefulness, as well as an instrument for the production of goods. The fact that such opportunity is not used more frequently is a measure of our failure to make an adventure out of living.

There is a nation-wide newspaper chain which for more than a generation has been known as almost purely opportunist, without actual ethical standards. Yet able newspaper men take jobs with that chain, while aware of its character. They start out with the obvious assumption that ethical integrity is not feasible in newspaper work, or that they do not care enough about such standards to pay the price of living by them. Such men do not need to wait for special ethical issues to arise to find out where they stand. They have surrendered in advance.

There is no phase of our economic life where one can avoid facing ethical issues. In the world of labor we see other compulsions to ethical compromise and surrender. A mechanic doing piece-work in a metal industry found himself in a department where the employees had agreed to limit their output to much less than could be done normally and reasonably. They had learned how to beat the time-study process and to make their slow rate of work seem reasonable. This man refused to waste his life by doing less than was normally and reasonably possible. While puzzling over the course he should take in a situation where deliberate restriction of output was prevalent, he took the expedient of doing a normal amount of work each day, but of reporting and being paid for only the customary amount. While trying to think out a policy in this difficult situation he had the satisfaction of doing an honest day's work, but left a considerable part of it unpaid for rather than make trouble for himself and his fellow workers.

If a union-shop newspaper receives advertising copy in the form of a plate ready to be used, its use is not allowed until a union printer has set up a duplicate copy, for which work he is paid union wages. His work is then destroyed without being used. If a union printer should repudiate this deeply entrenched practice as sheer waste of time and human resources, what could he do but lose his job? At the present moment the Railway Brotherhoods are fighting to retain numerous "feather-bedding" practices.

Such entrenched parasitic practices in the labor field often are as vigorously and plausibly defended as are long standing unethical practices of industrial management. I first came upon the practice of deliberate restriction of output at the age of eighteen or nineteen when working as an unskilled day laborer at about a dollar a day. Our employer, my fellow workers would say, was a ruthless, capitalist exploiter who cared nothing for his workers but to make money out of them. Why try to do an honest day's work under such circumstances? On some jobs these workers were but unfairly repeating an age-old cliché, while as to other employers their description was fairly accurate.

Even at that age, with personal economic conditions severe, I consciously and deliberately asked myself, "From what source do I want to get the standards for my life?" The calloused exploitation of powerful employers and the corresponding resentment and bitterness of workers was very old, going back at least 5000 years to

the days of pyramid building. It was a self-perpetuating, anti-social complex. I determined not to take my pattern of life from either the exploiter or the exploited. If life were to progress, somehow that unfortunate continuity must be broken. I could work at breaking it wherever I happened to be. As an unskilled day laborer I would try to do a reasonable day's work, as though I were an honorable employee working for an honorable employer. I would not work unduly fast to gain the bosses' approval. Any person, I decided, in whatever situation he should find himself, could make some contribution towards a better social pattern.

I have found no uniformity of pattern, either of employers or of employees. Sometimes one sees cynical and irresponsible employees working for conscientious employers, and sometimes he sees able and conscientious employees being callously exploited. The qualities of human character do not follow class lines. The "featherbedding" fireman of a diesel locomotive, who clings to his job and his pay when there are no longer duties to perform, is ethically in no worse state than the shrewd manipulator who gets possession of property without performing corresponding service. The chief difference is that society has come to fully tolerate one, but not the other, and that it may be well to check the growth of a new form of social parasitism even before we have fully eliminated the old.

We have touched on a very few of the many and varied marginal practices which are met with throughout all phases of our economic life,

and which are like sand in the bearings of our economic system. Such practices, regardless of how frequent or well intrenched they are in our common life, reduce the effectiveness of living, lower the dignity and self respect of men, and are repugnant to a person whose ethical sense has not been dulled, and who wishes to live without compromise of sensitive and discriminating standards. They are mentioned to illustrate the fact that a person who gives critical consideration to his ethical standards will frequently find himself to be at variance from customs which commonly prevail. When we hold that it is possible and feasible for a person of clear purpose to maintain his ethical standards without compromise in our practical economic world it is not from wishful thinking that the way will be easy.

#### IV

Opportunities for Economic Self Direction. In so diverse an economy as ours, economic relationships and opportunities are extremely varied, and it would be presumptuous to suggest that there would be any one or a few best ways for a person to proceed in undertaking to live his or her economic life without compromise of ethical standards. However, we have referred to self employment as a feasible and promising course. It seems suitable, therefore, to give some indication of the nature and extent of such possibilities.

The chances for autonomous economic life range widely over the whole economic spectrum. There are opportunities for simple manual or other services, suitable for persons who have



little formal education, training, or opportunity for acquiring skills, in many cases calling for little more than faithfulness in simple, unexacting routine. From such simple undertakings, possibilities for self employment range through all grades of skill and responsibility to activities which demand high qualities of preparation and discipline, sometimes possible only to men of great intellectual power, or of marked genius. Some such activities require almost no administrative or executive responsibility, while others call for administration of large affairs.

The ethical standards which actually find expression in autonomous undertakings vary greatly. Two men may be self employed, say, each operating his own private machine shop. One may have been indoctrinated from boyhood with the belief that men are mostly crooks, and that the only way to get on in the world is to outsmart the other person. He may persist in holding that outlook, even when his business suffers greatly from his sharp practice. The other may have grown up in a family and community of high character, and may have standards of integrity and self respect which lead him to be thoroughly honest, dependable, friendly and considerate in his work, and a good citizen in general. The first of these may believe that it is he who sees the world as it really is, and that the other is an easily duped idealist. The second may feel that he is getting more out of life. A good many of those who use his services are persons he knows, respects, and likes to do business with. His self employment in the long run may be more stable.

In the aggregate millions of Americans are self employed, or are employed in circumstances where they can be free, so far as maintaining exacting ethical standards is concerned. There is no danger of exhausting such opportunities. The more there are of people who choose the course of living by sound ethical standards, if necessary in autonomous self employment, the more will the social and economic climate favor it. As businesses are developed by men who maintain discriminating ethical standards they will increasingly need associates or employees who have similar standards. The more this happens, the more natural will it be for it to happen. In general, when a person has achieved an economic way of life which enables him to live by exacting ethical standards he will not have reduced opportunity for another to do the same, but will have helped to enlarge that way of life.

The Professions. In professional life, as in other fields, there is at present a strong trend away from individual private practice and toward either group practice or salaried employment. That trend probably will continue, and may be accelerated. But it will not become universal. If one's primary aim is the largest income for a given amount of effort, or if there is some specialized field for which one has exceptional competence and interest, group practice may seem to be the obvious course. However, there will remain in nearly every profession a large number of opportunities and much need for individual practitioners who will be one-man institutions, making their own policies. In many cases, as a reputation for

good work is established, the one-man undertaking will grow into a group effort. If it has been begun as an undertaking to give expression in one's professional life to exacting ethical and social standards, then the careful selection of associates along the way may strengthen that purpose and give it continuity. Such a course may give a degree of validity to Emerson's comment that an institution is the lengthened shadow of one man. The excellence of many a large scale professional group traces back to the pioneer efforts of one man or of a few like minded men who were able to give the imprint of their purpose to an undertaking, partly because in its beginnings it was of small and manageable dimensions.

Medicine. The practice of medicine becomes continually more complex and specialized, calling for more mechanical and other equipment. It would be rash for a layman to undertake to foretell its future. Yet the present trends are not all good. Diagnosis by specialists, or by a calculating machine such as is looming on the horizon, may characteristically fail to take account of controlling factors. An exceptionally capable and well trained physician who persisted in choosing general practice, tells us that the basic difficulty with more than three quarters of the patients who come to him is not the ailment for which they seek treatment, but some maladjustment of their lives. They are living under stresses or dreads or faulty habits or family discords or frustrations, of which their illnesses are only relatively superficial symptoms. The need to be seen and treated as total human beings, and not primarily as persons

suffering from asthma or neuritis, may not be met best by a clinic of specialists. The general practitioner may still have his place.

When a clinic grows out of a one-man general practice in which the habit of seeing patients as whole human beings prevails, with specialists as helps toward the effectiveness of such an overall policy, the values of general practice and of specialization may both be preserved. We have personally observed three clinics which grew up in just that way; in each case a single physician in private practice found another with similar outlook and purpose to join him, and the process continued until a large clinic had resulted. In this way an organization may develop which has the spirit and purpose of its founder. In many cases a physician may continue an individual practice throughout his active life, but the fact that a physician begins practice by himself does not prevent his increasing his scale of operations without losing distinctive purpose and ethical quality if his interest and energy call for such a course. Some very successful large clinics we have known have developed in most unpromising small towns. With the trend of physicians to metropolitan areas, the medical needs of smaller communities have become more and more acute.

Because a physician has an independent practice it does not follow that he will not have difficulties within the profession. About ten years ago the American Medical Association undertook to prevent or to destroy plans for group health service, such as the Group Health Association in

Washington, the Health Insurance Plan of New York City, and the Permanent Health Plan in California. The A. M. A. undertook to raise a fund of \$3,500,000 for its fight by making a mandatory assessment of \$25 on each of its members, with possibility of expulsion from membership in the National society if the assessment should not be paid by January 1, 1951. (Membership in the A. M. A. is commonly considered to be essential to successful practice of medicine.)

In such case, what should a conscientious physician do if he believed this action to be unethical? What actually happened indicated the presence of considerable professional integrity. Many physicians faced the threat and refused to pay the assessment. Even earlier, the public relations managers of the A.M.A., the Raymond Rich Associates, already had resigned its association with the A. M. A., saying that its "position had become professionally untenable." Dr. James H. Means of the Harvard Medical School had denounced the action of the A.M.A. as "insulting to the intelligence both of the doctors and the people," and the U.S. Supreme Court found the A. M. A. guilty of illegally obstructing the Group Health Association. Now the A.M.A. policy has changed and it is favoring types of organization it then opposed. In this case the individual physicians who refused to conform did win out. Yet ethical living is real adventure, with possibility of defeat. Some physicians faced possible loss for the sake of principle.

The Law. While group practice grows in the practice of the law, some of the most stable law firms began as one-man law offices. If the beginner is a person of clear purpose, he can add persons who share his purposes and standards. Individual, one-man law practices also probably will continue indefinitely.

Engineering. In this, as in other professions, there has been a strong trend away from individual private practice and toward salaried positions or group practice. Yet, partly because of that trend, some areas of service have been neglected, and are open to private practice. In combined civil engineering and surveying there is room for scores of local firms. In many localities the maintaining of adequate survey records has been neglected, and engineering schools have largely forgotten that field. A man or a small firm which will gradually equip itself with dependable records for a considerable geographic area may develop a steady group practice and an income which will compare favorably with that of a fairly successful specialized engineer.

In mechanical, electrical and chemical engineering there is opportunity to grow from an individual private practice into a small industry, especially if one is willing to begin by including in his work some which might be classed as craftsmanship, rather than as professional engineering. Many of our smaller mechanical and electrical industries began in that way. It may seem to be beneath the professional dignity of a well-trained mechanical or electrical engineer to operate a

repair shop. Yet such a course may provide an economic foothold while one is learning how to give industrial expression to his best engineering abilities.

In India, where physical labor tends to be a work of low social rank, we saw an interesting case of this kind. A man of the highest (Brahman) caste broke with the traditions of his caste and started a one-man bicycle repair shop. He and his sons enlarged this into a plant for reconditioning old imported automobiles. When I visited the plant it had about 500 employees and a system of bus lines, the largest and best in South India.

There are numerous other callings, some of which, such as architecture, education and theology, are commonly recognized as professions; and others, such as journalism, accountancy, library work and social work, which have won various degrees of such recognition. In each of these there is opportunity and need for men and women of clear purpose to work out programs which will enable them to give expression to mature life patterns.

Storekeeping and Other Selling. Few other fields are so overdone as retail selling, yet if one will search intelligently for service to the public which is needed but not being well rendered, rather than for a chance to open a store and divide business with existing competitors, valid opportunities may sometimes be discovered.

Personal Services. When the writer's paternal grandfather was born, six out of seven Americans

were farmers. Today the proportion is less than one out of seven. To a considerable degree those released from agriculture went into industry. Today another revolution is under way. Automation and other technical developments are reducing the relative number of men and women required in basic industry and that process will accelerate. A considerable part of those no longer needed in mass industry will find occupations in personal services. Large scale activities, both of government and non-governmental organizations, will absorb a large part of this personnel. Yet human wants and needs are so extremely varied that there will continue to be a very wide field for individual or small group services.

Service opportunities are not limited to any particular level of education or technical training. Of service fields calling for advanced training, some offer many openings. For instance, in New York City more than three thousand persons or firms offer accounting services. In other fields one might have to search for opportunities. This might be true if one should wish to make a living translating literature.

While advanced training is being offered in an increasing number of fields, there still are many types of service which are based on practical experience and aptitude, rather than on formal training. Among such are property management, administration of estates, real estate business, property appraisal, equipment rental, managing recreation services, specialized business, and a hundred other kinds of personal service.



On a more modest level, there is need for services for the maintenance of homes and their equipment. Each season as it passes calls for some kind of home service. Part of that work naturally falls to dealers in home equipment, but if a person will prepare and equip himself to provide a wide range of humble but necessary services about the home he may be able to develop a business and a staff to a point where his service is a part of the dependable resources of the community.

We have mentioned only a random few of the very many opportunities for service which exist in our endlessly varied social and economic order. One man with imagination and a bit of genius may find a distinctive field of work, perhaps as the only undertaking of its kind in the country. Another will find a niche in a very common field, where he will make a place for himself by simple, competent and dependable work.

The Need for Technical Service Centers for Small Industries. For persons with considerable imagination and capacity, there is opportunity for pioneering in a field of industrial development in a way which may contribute sound industrial standards and at the same time meet a critical need of small industry in general. Here there is room for a number of interesting careers.

The transition from the oxcart to the automobile is matched by the difference between the simple administrative and supervisory structure of two or three generations ago with that of today. A modern large industry has a considerable variety of specialized technical and professional ser-

vices, and no small part of its overall effectiveness is due to them. The large corporation has its personnel service, its accounting and auditing services, its legal department, its public relations service, its health and psychiatric service, its advertising service, as well as specialists in marketing, product research, and other special fields.

This elaboration of specialists is not all gain, for in some respects the head of a small industry with common sense may meet many needs which in a great industry must have specialized attention. However, it is true that unless small business can find ways to secure specialized service which modern industry requires it will be seriously handicapped. Gradually growing up in this country is a network of technical and professional services available to small business. Some of these, such as accounting, are available to small business generally. In other cases the services are limited to special fields. The Quality Bakers of America have developed a system of overall technical and professional services on a large scale. In Finland a group of more than 200 small metal industries have developed a cooperative organization to supply a full line of technical and professional services to its members with marked success. The more general development of such specialized services for small American industries could be both an interesting adventure in itself, and a very great help in making it more possible for small business to hold its own. If developed on a high ethical level, such services might have a significant effect on small business standards.

Where it is not feasible to develop large organizations to supply varied services, there is opportunity for individuals or small groups to supply single types of services to many small industries. This is possible in accounting, industrial relations, product research, marketing, and in many other fields, though hard, sustained work would be involved.

## V

Small Independent Industry. One of the most effective and interesting ways for establishing desirable ethical habits in our society is by initiating and operating small, independent industries in which those habits and standards prevail. An industry in some respects is like a small world by itself. To a certain degree it can make its own rules and standards and have its own morale. Because it must keep solvent in order to survive, standards must be workable. The process of making exacting ethical standards work in real situations provides a very real social and economic laboratory. The old saying, "an ounce of example is worth a pound of precept," is well illustrated in operating a business. Young people go to school or to church to hear what the teachers or the preachers say, and then they look at the going economic life to see what the world is actually like. Whenever an industry is operated by standards which have the respect of purposeful, ethically discriminating people, the fact of its successful operation may be a powerful influence.

How Small Industries Grow. There are many ways in which an industry can come into being. Two or

three generations ago most of them started small, and gradually won their way to stability. Today there is a greater tendency to start large, with substantial preparation and resources, and many people think that is the only feasible course. Yet small beginnings are far from obsolete. Especially, it often is possible to begin with some form of service, and gradually to grow from that into industrial production. This is true especially in mechanical, electrical and chemical fields, but does apply in other service fields as well.

The Day of Small Industry Is Not Past. More than thirty years ago, when we were first considering how to bring about small industries in our community, we were told by high economic authority, as well as by the man in the street, that the day of small industry was past in America, and that we were trying to turn back the clock. Yet of the several tens of thousands of small industries now existing in America, it is probable that a third or more have been initiated since that time.

It is true that there is today an increasingly strong trend to business consolidation. The proportion of American industry in the hands of big business probably will continue to increase for some time. Yet the continued expansion of industry, both in size and variety, creates many new frontier areas where there is good opportunity for the creation and survival of well selected and well administered small industry. Except for some general change in industrial conditions, such as tax or other legal requirements which might make small business almost impossible, that condition of opportunity probably will continue.

Each one of several of our great corporations, including General Motors, General Electric, DuPont, United States Steel, and Standard Oil, has stated in its publicity that it purchases parts, materials, supplies or services from 25,000 to 65,000 firms, most of them small. In addition, there are many thousands of small industries whose products are sold to the American public or to small units of industry, and which are not directly dependent on great industry for a market.

In our little community of Yellow Springs, beginning when it had a population of about 1500, and when we were told that the days of small industry were past, it has been possible to initiate home-grown, home-financed, home-owned, and home-administered small industries. More than a dozen such now employ more than 800 persons, and do a business of more than \$10,000,000 a year. They are in such varied fields as precision rubber mouldings, industrial thermostats, precision aluminum castings, carefully selected and processed farm seeds, electronic measuring devices, specialized color printing, stained glass windows, industrial design, custom cabinet work for scientific laboratories and elsewhere, and industrial advertising.

Of all projects initiated in this community during the past 30 years or more, somewhat less than a quarter have failed of successful development, nearly always in their very early stages, through such causes as lack of capital, poor choice of a product, lack of business experience, or lack of sustained interest. In most cases the failures were followed by later marked success by the same

persons. The fact that more than three quarters of these local undertakings succeeded ranks them well with the record of American industry in general. These little industries have been developed by very human people, who have the common run of human limitations, which show up along the way. Industry is not made up of super men.

Because these little industries are home owned and home managed, it has been possible in a number of cases to make them also adventures in human relations, with the result that in more than a quarter of a century there has been almost a total lack of labor-management conflict. The success of this little community in its home-grown industrial efforts, which may have been equalled or surpassed in various other small communities, is a bit of evidence as to the feasibility of small independent industry. The widely prevailing belief that in the present industrial world "It cannot be done" is not well grounded. When we speak of making one's economic life an expression of one's convictions, it is not a call to retreat, or to dullness of living.

The Choice of Industrial Fields. Prospects for success in an independent small industry will be much increased if projects under consideration are carefully appraised as to their possibilities and limitations. One's personal enthusiasms and intuitive "hunches" call for severe examination. In any undertaking to establish a small, independent industry, it is important to avoid types which by their nature and by the present condition of American industry present particular hazards and difficulties.

Some phases of the automobile industry would present such risks. For instance, there would be small chance of success for a small scale industrialist to make and sell a new brand of automobile battery. The channels of distribution are so strongly established, and the power of national advertising is so great, that small scale competition probably could not succeed. The same would be true as to automobile tires, though in Sweden we came across a successful tire industry with only fifteen employees. It was making specialized tires for a variety of small vehicles.

The dozen or more small industries which have been successfully developed and which have survived in our village of Yellow Springs illustrate the fortunate avoidance of some of these hazards. Not one of them has to compete with large scale consumer goods advertising. Not one is in competition with nation-wide mass distribution. Not one of them produces for a single customer or for a very small group of possible customers, as is the case with some producers of automobile parts. None of them is a branch or subsidiary of a great corporation. None of them, with the exception of the maker of stained glass windows and a custom woodworking shop, is built on an old craft which may disappear with modern technology. \*

A community not very far from Yellow Springs is populated by intelligent, vigorous, thrifty, honest and hard-working people. A quarter of a cen-

\*The Yellow Springs experience is described in our little book, "Industries for Small Communities," Community Service, Inc., \$1.50.

tury ago these people undertook to develop small industries which would make it feasible for their young people to live and work at home. By chance, the industries they initiated were mostly in the main channel of mass production, mass advertising, mass distribution and mass sales. Notwithstanding the fine qualities of these people, their effort to establish small-scale, home-owned industries has been baffling and not very successful. One effort which did succeed was that of producing custom-made products on orders from individual customers. Unless critically appraised, the experience of this community might lead to the conclusion that the day of small industries is past.

---

We say again, the economy of America is so extremely varied that it is not possible in short space to give even representative samples of its possibilities. We can only give random hints and suggestions. These are enough, we believe, to indicate that a person who is determined to maintain a discriminating pattern of living has a wide range of choice, including many opportunities for self employment. In general the possibility of maintaining one's convictions in making a living will be determined less by outward physical and economic circumstance than by one's own purposes, and by the fabric of his own life and character. Here the field for adventure in living is wide open, and "it can be done in economic life."